REPORT OF THE INDEMNITIES AND ALLOWANCES COMMISSION

DECEMBER, 2000

November 24, 2000

Hon. Mildred Dover, M.L.A.
Speaker of the Legislative Assembly
P.O. Box 2000
Charlottetown, PE C1A 7N8

Dear Madam Speaker:

An Act to Amend the Legislative Assembly Act (1994) established an Indemnities and Allowances Commission which is required to report annually to the Speaker on or before the first day of December.

According to the Legislation, the Commission is to 'review and determine' the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip, Opposition Whip and the Leader of the Third Party.

The Commission has completed its review of the remuneration and benefits as defined in Section 46 of the Legislative Assembly Act.

I am pleased to transmit to you with this letter the 2000 Report which includes the Commission's decisions and the rationale for these decisions.

Respectfully Submitted,

Colin Younker, Chairman

Keith Boswell, Commissioner

Michael Schurman, Commissioner

INTRODUCTION

A 1994 amendment to the Legislative Assembly Act established the Indemnities and Allowances Commission. This Commission, according to the legislation, is to "determine the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip, Opposition Whip, and the Leader of the Third Party.

Remuneration and benefits are defined by the legislation as "salaries, indemnities, allowances, and pensions."

The Legislation requires "the Commission, annually and at such other times as the Speaker may request, (to) carry out a review of remuneration and allowances ... and on or before the first day of December of each year (to) deliver a report to the Speaker which shall be final and binding."

The Commission presented its sixth report to the Speaker in the fall of 1999. That report contained a 2% increase in Members' indemnities and allowances.

In preparation for the 2000 report to the Speaker, the Commission placed advertisements in local newspapers in September inviting the general public to present its views on the renumerations of the members. The Commission has received no written submissions from the public in response to the advertisements placed.

DEFINITIONS

In the sections that follow, "indemnities" refers to payments made to all Members of the Legislative Assembly to carry out their basic responsibilities as M.L.A. s. These payments are taxable.

"Salaries" refers to payments that are made to Members of Executive Council, the Speaker, Deputy Speaker, Leader of the Opposition, Leader of the Third Party, and those other Members who hold special positions in the Legislative Assembly, or on Executive Council Committees. These payments are in addition to payments received by Members in the form of indemnities and are also taxable

"Allowance" refers to additional monies paid to Members, such as M.L.A. expense allowances and the mileage allowances. These payments are non-taxable.

MEMBERS INDEMNITIES AND ALLOWANCES

Table 1 indicates the current indemnities and tax free allowances for M.L.A.s in each of the provinces.

TABLE 1

MEMBERS' ANNUAL INDEMNITIES AND EXPENSE ALLOWANCE

Jurisdiction	Indemnity - Taxable	Expense Allowance non-taxable
Newfoundland	$39,568	$19,784
Nova Scotia	31,034	15,517
New Brunswick	38,075	15,230
Quebec	63,317	12,389
Ontario	78,007	-
Manitoba	61,519	-
Saskatchewan	56,684	4,638
Alberta	39,720	19,860
British Columbia	71,000	-
Prince Edward Island	33,155	10,050

Since the preparation of our last report in the fall of 1999 renumeration in the other jurisdictions has changed as follows:

Newfoundland - 2% increase indemnity, 4% increase allowance
Nova Scotia - No change
New Brunswick - 1.8% increase
Quebec - 4% increase
Ontario - No change
Manitoba - 3.8% increase
Saskatchewan - 1.3% decrease
Alberta - 1.1% increase
British Columbia - 1.5% increase

TABLE 2

SALARIES FOR MEMBERS OF THE EXECUTIVE COUNCIL AND THE LEADER OF THE OPPOSITION

Jurisdiction	Premier (Taxable)	Cabinet Minister (Taxable)
Newfoundland	$56,042	$44,443
Nova Scotia	52,012	37,055
New Brunswick	50,996	33,998
Quebec	66,483	47,488
Ontario	61,860	32,997
Manitoba	43,554	27,223
Saskatchewan	51,201	35,841
Alberta	62,016	48,744
British Columbia	45,000	39,000
Prince Edward Island	54,270	38,335

The change in the salaries in the other jurisdictions was based on the same percentage changes to the members' indemnities as outlined on Table 1 except for British Columbia where there was no change in the Premier's or a Cabinet Minister's salary.

The Leader of the Opposition's salary is the same as a Cabinet Minister's in all Provinces except Ontario where it is 30% higher than a Cabinet Minister's salary.

TABLE 3

SALARIES AND ALLOWANCES FOR SPEAKER AND DEPUTY SPEAKERS

Jurisdiction	Speaker Salary		Deputy Speaker Salary	
Newfoundland	$41,443		$20,721	
Nova Scotia	37,055		18,533	
New Brunswick	25,500	+ $1,000 allowance	7,905	+$250 allowance
Quebec	47,488		22,161	
Ontario	24,338		11,545	
Manitoba	22,867		7,623	
Saskatchewan	30,720		10,240	
Alberta	48,744		24,372	
British Columbia	39,000		19,500	
Prince Edward Island	25,530		12,765	

The salaries are taxable while the allowance is non-taxable.

The change in the salaries in the other jurisdictions was based on the same percentages as the changes to the members' indemnities as outlined in Table 1 except for British Columbia where there was no change.

TABLE 4

LEADER OF THE THIRD PARTY

Jurisdiction	Third Party Leader Salary (Taxable)
Newfoundland	None paid
Nova Scotia	$18,533
New Brunswick	12,000
Quebec	22,161
Ontario	27,848
Manitoba	21,778
Saskatchewan	17,921
Alberta	8,292
British Columbia	19,500
Prince Edward Island	15,335

In 1994 the Legislative and Executive Compensation Act reduced the indemnities and allowances of M.L.A.s by 7.5%. The Commission's decision in 1997 to increase the indemnities and allowances by 4% resulted in an indemnity of $31,870 and an allowance of $9,659. These amounts were just under the amounts of $32,000 and $9,700 that were in effect before the 1994 rollback which was effective April 1, 1994. The Commission's decision in 1998 was to increase the indemnity and allowance by 2% to $32,505 for the indemnity and $9,850 for the allowance. The Commission's decision for 1999 was to increase the indemnity and allowance by 2% to $33,155 for the indemnity and to $10,050. The Commission's decision this year is to increase the indemnities, allowances and salaries by 2 1/2% which is within the range of other Provinces and is consistent with the Civil Service and Teacher wage agreements in the Province.

At the present time M.L.A.s on P.E.I are the lowest paid in the country. On a comparison basis with the other nine provinces a P.E.I. M.L.A.'s compensation is 75% of the average compensation and ranges between 62% and 89% of compensation on an individual comparison basis with the other nine provinces.

This percent has stayed consistent over the past seven years. For it's next report the Commission will review this comparison in relation to compensation for employment in P.E.I. as compared to the other provinces.

In 1994 a major change was made to the Pension Plan for M.L.A.'s. The Commission in previous years has made some changes to the 1994 plan and during the next year will be reviewing the pension plan for the members.

The Commission's decisions apply only to elected members of the Legislative Assembly. The references in the decisions to the Leader of the Third Party would only apply if a Third Party Leader was elected.

The Commission has fixed the salary for the Speaker at a level which is 75% of a Cabinet Minister's salary. The Deputy Speaker's salary remains at a level which is 50% of the Speaker's salary.

SUMMARY OF COMMISSION DECISIONS

1. That the annual indemnity (taxable) for Members of the Legislative Assembly shall be $33,985.

2. That the annual non-taxable allowance for members of the Legislative Assembly shall be $10,300.

3. That the Speaker of the Legislative Assembly, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $29,470.

4. That the Deputy Speaker of the Legislative Assembly, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $14,735.

5. That the Premier of the Province, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $55,625.

6. That a Cabinet Minister, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $39,295.

7. That the Leader of the Opposition, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $39,295.

8. That the Government House Leader, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $5,310; provided that the Member holding this position is not receiving a salary for any position identified in amended Section 45(4) of the Legislative Assembly Act (1994).

9. That the Opposition House Leader, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $3,720; provided that the Member holding this position is not receiving a salary for any other position identified in amended Section 45(4) of the Legislative Assembly Act (1994).

10. That the Government Whip, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $3,130; provided that the Member holding this position is not receiving a salary as a Cabinet Minister or as a member of an Executive Council Committee or for any other position identified in amended Section 45(4) of the Legislative Assembly Act (1994).

11. That the Opposition Whip, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $3,130; provided that the Member holding this position is not receiving a salary for any other position identified in amended Section 45 (4) of the Legislative Assembly Act (1994).

12. That a non-Ministerial Member appointed to an Executive Council Committee, in addition to the Member's indemnity and allowance shall receive an annual salary (taxable) of $5,310; provided that the member serving on such Committee is not receiving a salary for any position identified in amended Section 45(4) of the Legislative Assembly Act (1994.

13. That the Leader of the Third Party, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of $15,335.

14. That the Premier and Cabinet Ministers shall be provided with a Government-owned or leased vehicle, or in lieu thereof, an allowance for the use of their own vehicle.

15. That the Leader of the Opposition shall be provided with a Government-owned or leased vehicle, or in lieu thereof, an allowance for the use of his or her own vehicle.

16. That the Speaker of the Legislative Assembly shall be provided with a Government-owned or leased vehicle, or in lieu thereof, an allowance for the use of his or her own vehicle.

17. That Members of the Legislative Assembly shall receive a mileage allowance for use of their own vehicles while attending sessions of the Legislative Assembly or Committee meetings of the Assembly on days the House is not sitting or during the intercession.

18. That the Premier, Cabinet Ministers, Speaker of the House and the Leader of the Opposition are not eligible for the mileage allowance referred to in No. 17 above.

19. That Members receiving the mileage allowance referred to in No. 17 above shall receive such allowance at the prevailing civil service mileage rates and only for those days they attend the sitting of the House or a Committee thereof.

20. That Members shall receive payment, on a claim basis, for up to five (5) trips per month to Charlottetown when the House is not in session.

21. That the Leader of the Third Party shall receive payment, on a claim basis, for up to eight (8) trips per month to Charlottetown when the House is not in session.

22. That the effective date for implementing the Decision of this Report shall be April 1, 2001.